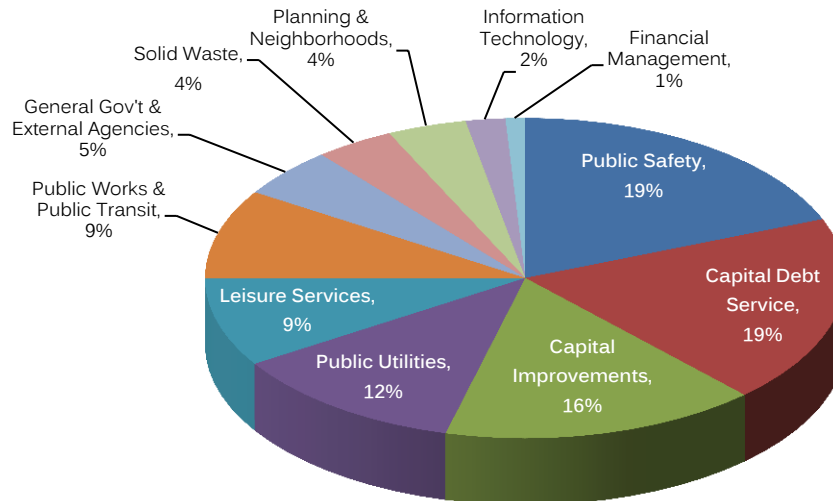


FY16 PROPOSED BUDGET SUMMARY



FY16 PROPOSED TOTAL EXPENDITURE BUDGET (NET OF TRANSFERS)

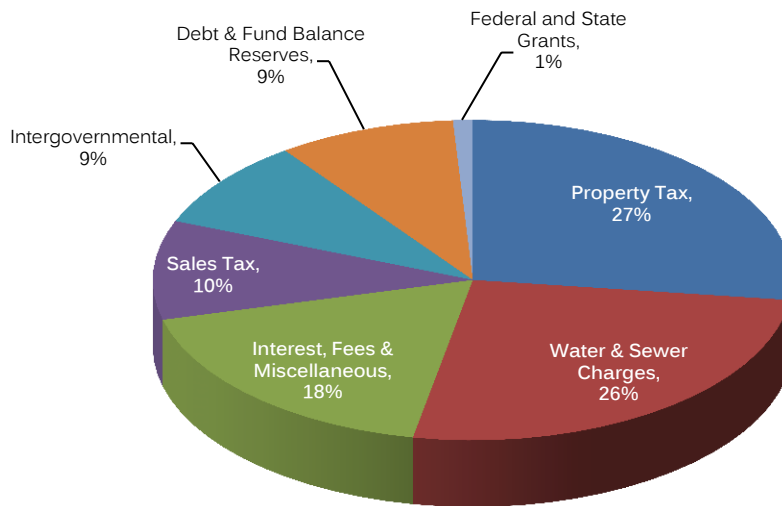


- Total net operating and capital budget proposed for FY16 is \$832.5 million.
- \$367.9 million net total budget for enterprise funds, including Public Utilities, Stormwater, Transit, Convention Center Complex and Solid Waste Services.

CITYWIDE BUDGET HIGHLIGHTS

- Three themes emerge from the FY16 budget proposal, which reflects Raleigh's dynamic, growing and changing community:
 - Increasing service demands resulting from population and development activity growth outpace Raleigh's projected revenue growth;
 - Smart strategies are necessary to align new and existing resources to address the community's highest priority needs; and
 - Future strategic investments in the areas of economic development, affordable housing, transportation and parks and cultural amenities will further define the city's character and identity and are critical elements of sustaining Raleigh's high quality of life in the long term.
- FY16 budget proposal strategically invests in the following areas by: 1) Responding to Increasing Development Activity, 2) Investing in Public Safety, 3) Addressing Community Growth Pressures, 4) Focusing on Service Efficiency and Business Process Improvements, and 5) Investing in Human Capital.
- The FY16 budget represents projected financial results that continue Raleigh's excellent Aaa/AAA/AAA general credit rating and full actuarial funding for law enforcement and civilian retirement plans.
- Loss of business privilege license tax revenue limits the City's ability to respond fully to increasing service demands from community and development activity growth.

FY16 TOTAL REVENUE BUDGET (NET OF TRANSFERS)



- The FY16 Proposed Budget includes property tax revenue based on a tax rate of 42.10 cents per \$100 of assessed value.
- The property tax rate includes a 1.72 cent property tax increase proposed to implement the voter approved 2014 Parks bond referendum. This tax increase is projected to raise \$8.8 million annually.
- Economic growth increases sales tax \$3.3 million (4%), over FY15 projections.
- Garbage Fee increases \$.75 per month (\$1.1 million), which increases the percentage of costs recovered through fees from 67% to 72%. Residential customers will pay a combined trash collection and recycling fee of \$14.05 monthly.
- Public Utilities: 6% increase in water and sewer volumetric rates as well as increases to the water and sewer infrastructure replacement fees. The average residential customers use 5 CCFs of water monthly. They will see an increase of \$3.24 per month.

BUDGET HIGHLIGHTS

Respond to Increasing Development Activity

- Since 2009, when development in the city was at its lowest in years, permit and inspections requests have steadily increased. Both activities are on pace to exceed pre-recession levels. Increased development revenues help offset costs.
- Expands city's express plan review availability (a high-demand, face-to-face review and approval service offered to the development community for a premium fee) by adding one team to make a total of five teams.
- Adds building inspection staff to respond to increased demand and project complexity.
- Reorganizes the city's planning services to increase long range planning capacity, start-up a new program focused on civic design and project implementation and strategically align real estate and planning functions.
- Supplements staff attorney and real estate resources to support property acquisition and disposition and contract review to respond to growing development workload.

Invest in Public Safety

- Adds eight additional police officers to create a specialized unit dedicated to addressing emerging growth pressures related to areas such as multi-modal transportation, entertainment, and the food and beverage industry (\$619,000).
- Provides funding for crossing guards at 21 additional public elementary and middle schools where a guard was requested (\$140,700).
- Includes full-year operational equipment funding for fire station 29 in northwest Raleigh, which is planned to open in June (\$320,000).
- Appropriates \$4 million for the purchase of a Computer Aided Dispatch (CAD) system to replace the current aging system used to dispatch public safety units in response to 911 calls. The city's current vendor will phase out support for this critical system. Wake County will also contribute \$3 million to the project and participate in the new system's design.

Address Community Growth Pressures

- Opens or expands three new facilities: Abbotts Creek Park, Dr. Martin Luther King, Jr. Memorial Gardens and Phase 1 of the Horseshoe Farm Nature Preserve, offering residents greater access to park, recreation, and cultural amenities in north, northeast, and southeast Raleigh (\$840,000).
- Funds a study of current parking inventory and future parking needs, both in terms of space and geographic location within the downtown area (\$200,000).
- Opens the Central Communications Center (formerly Critical Public Safety Center), which will house multiple public safety and general government functions to ensure the ongoing safety of our residents while providing reliable, secure operations across the organization. Operational funding and five positions are included for opening the facility (\$1.2 million).
- Opens the Central Operations Facility (formerly Downtown Remote Operations), designed to promote efficiency, a variety of city services will be located at this facility, moving out of aged, inadequate space.

Focus on Service Efficiency and Business Process Improvements

- Enhances customer service through the operation of a new customer service center, replacing departmental customer call centers in Solid Waste Services, Public Utilities and Stormwater. This effort reduces duplication of services in the city and provides a single point of contact for citizen customer service needs.
- Funds new investments in capital project implementation, facility and infrastructure maintenance, information technology, communication and staff development through citywide operating budget reductions totaling more than \$3 million.
- Provides resources for continuing development and enhancement of the City's performance measurement system, allowing City staff to align data collection and decision-making with the Strategic Plan.

Invest in Human Capital (Compensation & Benefits)

- Merit pay increase – Average 2.9% merit pay increase (\$5.7 million citywide) for full-time employees in line with market data. Effective 8/8/2015. Most employees will receive 2.5% or 3.5% pay increases.
- Employees who elect Family or Employee + Spouse dependent health coverage will experience a premium increase of between \$11-\$24 monthly based on elected plan. No premium increases are proposed for Employee-Only or Employee + Children coverage.
- Benefits package enhancements include a new telemedicine program and out of pocket maximums for the pharmacy plan (currently there is no out-of-pocket maximum for pharmacy).

CAPITAL IMPROVEMENT PROGRAM HIGHLIGHTS (FY16 to FY20)

- Totals \$1.04 billion over five years (\$215.6 million in FY16). Of this total, \$182 million in FY16 is focused on deferred maintenance of buildings and infrastructure, primarily for the city's transportation, parks, water and sewer systems.
- Implements the \$92 million bond for parks, recreation, and cultural resources, approved by voters in Fall 2014. Initial projects include the Crabtree Creek West Greenway, Lineberry Neighborhood Park, and Devereau Meadows master planning.
- Continues implementing the \$75 million transportation bond, approved by voters in Fall 2013. The bond program includes several road widenings, as well as funding for streetscapes, traffic calming, and matching funds for NC Department of Transportation projects.
- Invests \$142.5 million over the next five years to replace aging water and sewer mains and other infrastructure in public utilities.



TAX AND FEE IMPACT TO HOMEOWNER

Monthly Increase by Home Value				
Monthly Impact	\$150k	Median (\$190.8k)*	Average (\$246K)*	\$350k
Property Tax Increase – Parks Bond	\$2.15	\$2.73	\$3.53	\$5.02
User Fee Increase – Typical Public Utilities Customer	\$3.24	\$3.24	\$3.24	\$3.24
User Fee Increase – Residential Trash Collection	\$0.75	\$0.75	\$0.75	\$0.75
Total Monthly Impact	\$6.14	\$6.72	\$7.52	\$9.01

**Source: Wake County Tax Statistics: Single Family Residential as of January 1, 2014*

For more information contact: City of Raleigh Budget and Management Services, 919-996-4270